

SCHOOL FACILITIES BOARD
February 6, 2003
Vail, Arizona

The School Facilities Board held a board meeting at the Vail Unified School District, Cienega High School, 12901 East Colossal Cave Road, Vail, Arizona. The meeting began at approximately 10:15 A.M.

Members Present

Conley, Patrice
Keenan, Brooks
McCarthy, Kevin
McGee, Kate
Metz, Forrest
Van Sittert, Logan, Chair
Vaughan, G. Keith
Wicks, Michael
Wright, John, Vice-Chair (late)

Members Absent

Superintendent's Representative (non-voting)

Staff Present

Edward Boot, Interim Exec. Director
Tim Brand, Facilities Deputy Director
John Arnold, Deputy Director of Finance
Candy Cooley, Deputy Director of MIS
Tom Halverstadt, Land Specialist
Kristen Landry, Public Information Officer
Amber Peterson, School Finance Specialist

Guests Present

Bret Borg, RREEF Management
Diane Hamilton, Tolleson Elementary
Ed Hall, Tolleson Elementary
Thomas D. Rushin, Yuma Elementary
Ray DelZotto, PinnacleOne
Judy Richardson, Stone & Youngberg
Allen Shockley, Apache Junction USD
Gregoria A. Moran, DLR Group
Cathy Rex, Architect
Mary Radcliffe, Isaac Elementary
Tim O'Brien, PinnacleOne
Liz Whittaker, TUSD

Marcus Jones, TUSD
John Gordon, Cave Creek USD
Randy Blecha, Fowler ESD
Kent Davis, Deer Valley USD
Gordon Vasferat, GVE
Al Flores, Vail USD
Jeff Van Handel, Coolidge USD
Jay St. John, Sahuarita Unified
Elaine Hall, Board Pres., Sahuarita Unified
Chris Gillespie, Pinnacle One

Jane Rodrigues, Board Pres., Tombstone Unified
John Hebnes, Tombstone Unified
Judith Bobbitt, Somerton Elementary
Bob Klein, Somerton Elementary

Welcome

Calvin Baker welcomed the School Facilities Board.

I. Call to Order

The Board Chair, Logan Van Sittert, called the meeting to order at approximately 10:15 A.M.

II. Roll Call

There were nine Board Members present at this meeting (John Wright arrived late, at approximately 11:05 A.M.).

III. Approval of Minutes of January 9, 2003 Meeting

Keith Vaughan moved that the Board approve the Minutes for January 9, 2003, as amended. Brooks Keenan seconded. Motion passed on a 7-0-1 voice vote, with Kate McGee abstaining. Item VII.a. Paradise Valley Unified was corrected to indicate that Pat Conley did not vote against the motion.

Approval of Minutes of December 30, 2002 Meeting

Forrest Metz moved that the Board approve the Minutes for December 30, 2002. Brooks Keenan seconded. Motion passed on a 7-0-1 voice vote, with Keith Vaughan abstaining.

IV. Director's Report

a. Deficiency Correction Update including January 31st Performance and Bid Protests

This was an informational item only. The following issues were discussed.

- January 31, 2003 Status of Work and Performance
- PM Performance
- Cost Analysis
- Projected Schedule of Work
- Bid Protests

This item was revised from the original board packet.

b. Developer Award Nominees

This was an informational item only. Tom Halverstadt provided information regarding the amount and value of land donations that have been made for SFB-funded schools since the beginning of Students FIRST. At the March Board meeting, Staff will recommend that the Board provide public recognition of three companies (Del Webb, Fulton Homes, and Sunbelt Holdings) for the special efforts they have made to support both Students FIRST and the schools of the State of Arizona. Pat Conley suggested that the SFB staff issue a press release or submit an advertisement to a newspaper, recognizing these three companies for their efforts.

c. Preventive Maintenance Guidelines

This was an informational item only. Tim Brand presented the new Preventive Maintenance Guidelines that have been established by a committee of school district facility management representatives. These "Preventive Maintenance Guidelines" are required based on FY 2002 legislative session, House Bill 2710. The Staff will invite members of the committee to the April 2003 Board meeting and will request approval of the guidelines at that time. SFB staff will immediately post the guidelines to the SFB website and will organize several workshops around the State to answer questions regarding the guidelines. Some Board members felt that in addition to the District Superintendent and Facilities/Maintenance Director, the School Board President should be required to sign the Statement of Compliance.

John Wright arrived at approximately 11:05 A.M.

d. Accommodation District Subcommittee Report

This was an informational item only. Deputy Chair John Wright updated the Board on the status of the subcommittee. The subcommittee met on Thursday, January 30th and discussed the issues surrounding the SFB and the construction of capital facilities for Accommodation Districts. The report on the subcommittee provided by staff contained suggestions to deal with several of the issues that the subcommittee discussed. The Board then directed staff to provide at the March Board meeting the following items: a New Construction approval policy for Accommodation Districts, the addition of two legislative changes to the Board's Legislative Agenda, and a request for a formal Attorney General's opinion regarding the role of a County Board of Supervisors in funding facilities for an Accommodation District.

e. Building Renewal Formula, 1st Half FY 03 Distribution, and Legal Update

Building Renewal Formula - This was an informational item only. Candy Cooley provided an explanation of the Building Renewal formula. Building age seems to be most significant factor in the formula. Many experts in the facilities industry believe that the amount of building renewal allocated to a building should equal 1% of the building's replacement value. In actuality, the average is 1.28% based in the statutory formula. Kate McGee expressed concern that Board needs to understand impact of making any changes to the formula, and suggested that the Board establish a Building Renewal subcommittee. Ed Boot explained that changes to the Building Renewal formula were considered years ago, and that the changes are not being recommended due to the State's budget problems, but due to fundamental problems with the formula. This item will be on the March Board agenda.

1st Half FY 03 Building Renewal Distribution - SFB staff submitted a letter to Joint Committee on Capital Review (JCCR) in December requesting to be on the agenda for the December JCCR meeting, for review of the first half of the FY 03 building renewal disbursement. JCCR did not place this item on its December agenda, indicating that the new legislature should address this issue. JCCR did not meet in January. Staff has requested that this item be placed on the February JCCR agenda, and will request an Attorney General's review to determine whether or not the disbursement may be made without a formal review by JCCR.

Ed Boot briefly discussed legal issues.

f. New Construction Closeout Procedures

This was an informational item only. John Arnold presented an explanation of the New Construction Closeout Procedures. Examples of some of the documents that are required for the closeout of a new construction project were provided.

g. Networking and Internet Connectivity Update

This was an informational item only. Candy Cooley explained the graph that was provided which indicates the status of the Qwest projects. A comprehensive ASP update will be provided at the March meeting.

h. Lease to Own and Bonding Update

This was an informational item only. Deputy Director John Arnold provided an update on the status of the following:

- first SFB Lease-to-Own program (FY 03)
- last \$32 million of the \$800 million Deficiency Proposition 301 Bond
- second Lease-to-Own program (FY 04)
- proposed \$280 million Land Trust Deficiency Bond.

The Board recessed for lunch at approximately 12:30 P.M. The Board reconvened at approximately 2:15 P.M.

V. Assessment Deficiencies

a. Consideration of Funding Supplemental Assessment Deficiency Projects from the Deficiencies Correction Fund

John Wright moved that the Board approve the staff recommendation to approve the assessment deficiency projects, which will be eligible for funding from the Deficiencies Correction Fund. Forrest Metz seconded. Motion passed on a 9-0 voice vote.

b. Consideration of Assessment Deficiency Projects review, bids, bid packages, and expansion of change orders

Expansion of Scope

John Wright moved that the Board approve the staff recommendation for the following projects:

1. Additional funding of \$191,380 for Project 110221001-1002-001 for Coolidge Unified, bringing the total project cost to \$259,380.
2. Additional funding of \$279,080 for Project 110100003-9999-008 for the Villa Oasis Interscholastic Center for Education in the Mary C. O'Brien Elementary District, and cancellation of the following projects:
 - 110100003-1010-002 (\$44,356)
 - 110100003-1010-003 (\$3,914)
 - 110100003-1010-004 (\$1,957)
 - 110100003-1010-005 (\$41,747)
 - 110100003-9999-003 (\$62,621)

The budget amounts being cancelled for the projects listed above total \$149,080, which will now be applied to Project 110100003-9999-008, as well as an additional \$130,000. The total increase to Project 110100003-9999-008 is \$279,080.

3. Additional funding of \$488,684 for Project 110100001-1005-001 for Mary C. O'Brien Elementary School, bringing the total project cost from \$61,316 to \$550,000, and canceling Projects 110100001-1005-004 and 110100001-1005-002.
4. Additional funding for Mesa Unified for the following lighting projects:

Project Number	School	Additional CCAP Funding	A/E Estimate
070204274-9999-001D	Dobson High	\$79,500	\$164,975
			\$244,475

070204122-9999-001D Lindberg Elementary	\$15,674	\$108,346	\$124,020
070204257-9999-003D Rhodes Jr. High School	\$26,500	\$229,217	\$255,717
Total:	\$121,674	\$502,538	\$624,212

5. Additional funding for Mesa Unified for the following HVAC projects:

Project Number	School	CCAP	Additional Funding	A/E Estimate
070204136-1006-001D Johnson Elementary		\$93,176	\$238,377	\$331,553
070204261-9999-005D Brimhall Junior High		\$189,740	\$131,691	\$321,431
Total:		\$282,916	\$370,068	\$652,984

6. Additional funding of \$267,950 for Project 110422101-9999-006 for Toltec Elementary School, bringing the total project cost from \$16,503 to \$284,453.

Pat Conley seconded. Motion passed on a 9-0-voice vote.

c. Consideration of Ratification of CM @ Risk Contracts, GMP applied and Purchase Orders Issued

Keith Vaughan moved that the Board ratify the CM @ Risk contracts for the School Facilities Board and the districts and vendors listed under agenda item V.c. Forrest Metz seconded. Motion passed on a 9-0-voice vote.

d. Consideration of Ratification of Contracts for Deficiency Corrections Projects

John Wright moved that the Board ratify the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.d. Brooks Keenan seconded. Motion passed on a 9-0-voice vote.

e. Consideration of Ratification of Change Orders for Deficiency Corrections Projects

Brooks Keenan moved that the Board ratify the change orders for the districts and vendors listed under agenda item V.e. Forrest Metz seconded. Motion passed on a 9-0-voice vote.

f. Consideration of Other Deficiency Correction Issues – Arizona School for the Deaf and Blind (ASDB) Assessment

Pat Conley moved that the Board approve the assessment of the Arizona School for the Deaf and Blind (ASDB) as presented, authorizing the Executive Director to forward the report to the Joint Committee on Capital Review in accordance with the statute. Keith Vaughan seconded. Motion passed on a 9-0 voice vote. Architect Cathy Rex and SFB staff architect, Richard Dern, were recognized for their effort on this project.

VI. New School Construction

a. Consideration of 2003 Capital Plan New Construction Requests

Brooks Keenan moved that the Board approve the staff recommendation as follows:

1. That the Board approve the staff recommendation to approve a K-6 elementary school (project 140413000-9999-001N) for 650 students for Crane Elementary District to open in FY 04, for a total project cost of \$5,733,585.

Keith Vaughan seconded. Motion passed on a 8-0-1 voice vote, with Mike Wicks abstaining.

Brooks Keenan moved that the Board approve the staff recommendations as follows:

2. That the Board approve the staff recommendation to approve a K-6 elementary school (project 070241000-9999-006N) for 952 students for Gilbert Unified District to open in FY 05, for a total project cost of \$8,397,497.
3. That the Board approve the staff recommendation to approve a core 7-8 middle school (project 070241000-9999-010N) for 1,458 students with classroom space for 729 students for Gilbert Unified District to open in FY 06, for a total project cost of \$9,805,852.

Forrest Metz seconded. Motion passed on a 8-0-1 voice vote, with Keith Vaughan abstaining.

Forrest Metz moved that the Board approve the staff recommendations as follows:

4. That the Board approve the staff recommendation to deny Casa Grande Elementary District's request for a core K-5 elementary school in FY 04.
5. That the Board approve the staff recommendation to deny Casa Grande Elementary District's request for a core 6-8 middle school in FY 05.
6. That the Board approve the staff recommendation to approve a K-5 elementary school (project 070293000-9999-004N) for 650 students for Cave Creek Unified District to open in FY 05, for a total project cost of \$5,733,585.
7. That the Board approve the staff recommendation to approve a K-6 elementary school (project 070280000-9999-003N) for 700 students for Chandler Unified District to open in FY 05, for a total project cost of \$6,174,630.
8. That the Board approve the staff recommendation to approve a core 7-8 middle school (project 070280000-9999-006N) for 850 students with classroom space for 425 students to open in FY 06 for Chandler Unified District, for a total project cost of \$5,716,718.
9. That the Board approve the staff recommendation to *deny* two of Deer Valley Unified District's request for K-8 elementary schools for FY 06, but to approve one K-8 elementary school for 900 students (project 070297000-9999-010N) to open in FY 06, for a total project cost of \$8,257,788 (the district requested three K-8 schools for FY 06).
10. That the Board approve the staff recommendation to *deny* Florence Unified District's request for a K-8 elementary school in FY 05, but to approve the district's request for a K-8 elementary school for 1,100 students to open in FY 06, for a total project cost of \$10,092,852.
11. That the Board approve the staff recommendation to deny one of Isaac Elementary District's requests for a K-5 elementary school for FY 05, but to approve one of the district's requests for a K-5 elementary school for 600 students to open in FY 05, for a total project cost of \$5,292,540 (the district requested two K-5 schools for FY 05).
12. That the Board approve the staff recommendation to deny Liberty Elementary District's request for a K-8 elementary school in FY 06.

13. That the Board approve the staff recommendation to deny Queen Creek Unified District's request for a K-5 school in FY 05.
14. That the Board approve the staff recommendation to approve a core K-5 elementary school (project 140411000-9999-002N) for 400 students with classroom space for 200 students for Somerton Elementary District to open in FY 05, for a total project cost of \$2,293,434.
15. That the Board approve the staff recommendation to deny Sunnyside Unified District's request for a Pre-School Handicapped School or a K-8 elementary school in FY 05.

Brooks Keenan seconded. Motion passed on 9-0 voice vote. Agua Fria Union High School District and Santa Cruz Valley Unified District were removed from the agenda at the meeting.

- b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders, and Expansion/Change of Scope and Increased Project Cost
John Wright moved that the Board approve the staff recommendations as follows:

1. Approve Fowler Elementary District's request to go to bid on a School Facilities Board project in the amount of \$11,668,676 for both the K-5 elementary school facility, project 070445000-9999-211N, and a core 6-8 middle school, project 070445000-9999-002N.
2. Approve Gadsden Elementary District's request to go to bid on a School Facilities Board project in the amount of \$8,228,000 for the 7-8 middle school facility, project number 140432000-9999-005N.
3. Approve Ray Unified District's request to go to bid on a School Facilities Board project in the amount of \$9,547,993 for both the K-8 middle school facility, project number 110203101-9999-015 and a 9-12 high school facility, project number 110203202-9999-022.

Mike Wicks seconded. Motion passed on 9-0 voice vote.

- c. Expansion/Change of Scope and Increased Project Cost
There were no districts listed under this agenda item.

- d. Consideration of Other New Construction Issues
Tuba City Unified

Brooks Keenan moved that the Board approve the staff recommendation to fund a K-6 elementary school of 25,456 SQ FT for 150 students for the Tuba City Unified District at a total SFB project cost of \$2,000,000. The district will provide approximately \$2,500,000 and also the land for this school. Keith Vaughan seconded. Motion passed on a 9-0 voice vote.

Keith Vaughan moved that the Board go into executive session for the purpose of discussing land issues and to seek legal advice if necessary. John Wright seconded. Motion passed on a 9-0 voice vote. This session was not open to the public.

Executive Session was held from approximately 3:15 p.m. to 4:00 p.m.

VII. Consideration of Request for Land or Real Property Purchase, Lease, or Donation, including requests from:

a. Steps I and/or II
Sahuarita Unified

Logan Van Sittert moved that the Board Accept Staff recommendation to approve Sahuarita Unified School District's request for an elementary and middle school site (project number 100230000-9999-001L) and move to Step III. Forrest Metz seconded. Motion passed on a 9-0 voice vote.

Tolleson Elementary

Logan Van Sittert moved that the Board deny Staff recommendation to deny Tolleson Elementary School District's request for an elementary and middle school site (project number 070417000-9999-003L). John Wright seconded. Motion failed on a 4-5 voice vote, Kate McGee, Kevin McCarthy, Mike Wicks, Pat Conley, and Forrest Metz against. Forrest Metz moved that the Board accept Staff recommendation to deny Tolleson Elementary School District's request for an elementary and middle school site (project number 070417000-9999-003L). Mike Wicks seconded. Motion passed on a 5-4 voice vote, with John Wright, Logan Van Sittert, Keith Vaughan, and Brooks Keenan against.

b. Step III
Deer Valley Unified

Mr. Davis complimented Sun Belt Holdings and John Graham for their outstanding work with the Deer Valley Unified District. John Wright moved that the Board accept Staff recommendation to approve approve the purchase and donation of a elementary/middle school (K-8) site for the Deer Valley Unified School District (project number 070297000-9999-011L). Forrest Metz seconded. Motion passed on a 9-0 voice vote.

Tombstone Unified

John Wright moved that the Board approve Staff recommendation to approve the leasing of state land for a replacement high school site for the Tombstone Unified School District (project number 020201000-9999-001L). Forrest Metz seconded. Motion passed on a 9-0 voice vote.

c. Consideration of Other Land Related Issues
Isaac Elementary

This was an informational item only. Mary Radcliffe from Isaac ESD spoke on this issue and notified the Board that there would be a hearing on Friday regarding the condemnation of the CC&Rs for the property in question. The alternate site brought forward by the Industrial Park Owners Association at the last SFB meeting, the site was found to still have environmental issues. Therefore, the District will proceed with the condemnation actions of the CC&Rs of the original site. Bret Borg of Papago West Property Owners Association updated the Board, indicating the Association now realizes that the alternative site has issues and that other sites considered by the Association turned out to be outside of district boundaries. Isaac Elementary is going forward with building the school on the original site barring any other issues.

- VIII. Replenishment of Contingency Funds for Packages including:
John Wright moved that the Board approve the staff recommendation to approve the supplemental contingency funds for packages A, B, D, E, F, G, H, I, J, K, L, M, N, O and P in the amount of \$10,707,347.47. Forrest Metz seconded. Motion passed on a 9-0 voice vote.
- IX. Request for Reduction of Square Footage
There were no districts listed under this agenda item.
- X. Request for Waiver from Guidelines
Forrest Metz moved that the Board approve the staff recommendations as follows:
1. Approve the staff recommendation to accept the waiver request from Apache Elementary School District for additional space. The district consists of one building, which is adequate, except for some minor deficiencies. The district also only has one teacher, and does not have funding to operate more space.
 2. Approve the staff recommendation to accept the waiver request from Flagstaff Unified School District for basketball court and goals at the following schools: Coconino High, Flagstaff Middle, Flagstaff High, and Sinagua High. The district does not have any room for basketball courts and goals.
- Keith Vaughan seconded. Motion passed on a 9-0 voice vote.
- XI. Finance Report
This was an informational item only. John Arnold updated the Board on the status of the three funds (Building Renewal, New School Facilities, and Deficiencies Correction).
- XII. Future Agenda Items
Ed Boot indicated that a comprehensive financial update and legislative update would be provided at the March Board meeting. Pat Conley asked the Board to Consider a July meeting, since that will be a critical time regarding deficiency projects.
- XIII. Public Comment
None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 4:50 p.m.

Approved by the School Facilities Board on _____, 2003

Logan Van Sittert, Chair

Board Minutes
February 6, 2003